

## Message Text

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ORIGIN ARA-10

INFO OCT-01 EB-03 L-02 TRSE-00 ISO-00 H-01 CIAE-00 INR-10

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66610

DRAFTED BY: ARA/CAR:GZHILH/LA/GC:ILEVY:K

APPROVED BY: ARA/CAR:JRBURKE

EB/IFD/OIA:MR BRODERICK (DRAFT)

L/ARAGCMR SAWYIER (DRAFT)

TREASURY:MR FLEVY/MR VILLAMIL (DRAFT)

----- 079576

R 091715Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY PORT AU PRINCE

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C O R R E C T E D C O P Y (LINE 1 PARA 5B OMITTED)

E.O. 11652: N/A

TAGS: EFIN, EINV, HA

SUBJECT: DUPONT CARIBBEAN

1. FOLLOWING CONSULTATIONS IN SEPTEMBER WITH AMBASSADOR ISHAM, DEPT AND OTHER US AGENCIES HAVE BEEN CONSIDERING WHAT TEPI MIGHT BE TAKEN WITH REGARD TO DUPONT CARIBBEAN (DCI) I PUTE WITH GOH.

2. AS EMBASSY AWARE, PIERSON HAS BEEN SEEKING SOME SATISFACTION FROM GOH OR, IN ABSENCE THEREOF, INVOCATION OF HICKENLOOPER AND GONZALZ AMENDMENTS.

3. IN OUR VIEW IT WOULD BE TO ADVANTAGE OF ALL CONCERNED TO HAVE GOH AN

PIERSON NEGOTIATE SOME TYPE OF SETTLEMENT OFFICES TO ENCOURAGE SUCH NEGOTIATIONS.

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4. USG SHOULD, OBVIOUSLY, NOT DICTATE THE TERMS WHICH

COULD BE DISCUSSED IN THESE NEGOTIATIONS. PIRSON MAY WISH TO SEEK SOME REINSTATEMENT OF HIS CONTRACT (EVEN THOUGH WE HAVE TOLD HIM WE THINK GOH UNLIKELY TO AGREE). CERTAINLY SOME TYPE OF FINANCIAL SETTLEMENT WITH PIERSON WOULD SEEM A LIKELY APPROACH IN NEGOTIATIONS. (PIERSON/DCI HAVE INVESTED SOME MONEY AND GOH APPEARS TO HAVE RECEIVED SOME BENEFIT FROM DCI EFFORTS, AND IT IS OUR UNDERSTANDING THAT AUGUST 197 CIVIL COURT DECISION DID NOT RPT NOT LITIGATE THIS ISSUE.)

5. PIERSON HAS NOT PROVIDED DEPT WITH DETAILED ACCOUNTING IN SUPORT OF HIS CLAIM, STATING THAT HE DOES NOT HAVE FUNDS TO PAY FOR ACCOUNTING SERVICES. RAW EATA GIVEN THUS FAR BY HIM ARE:

#### DUPONT CARIBBEAN COSTS

APRIL 1971-OCTOBER 1972	DOLS 841,000
OCTOBER 0972-AUGUST 1974 (EST)	537,000
LEGAL COSTS (EST)	400,000

#### DON/ANN PIERSON LOSS

ABORTIVE STOCK SALE OF PIERSON'S OWN STOCK TO GULF OIL	2,500,000
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#### DCI SUBCONTRACTORS' CLAIMS, COSTS, DAMAGES

TR	
N HINEAR	2,600,000
CAREY CRUTCHER RESOURCES	100,000
BYRON ELLISON	120,000
SMALL CLAIMS, LABOR, ETC.	46,000

GRAND TOTAL	DOLS 7,144,000
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A. AS EMBASSY AWARE FROM SEPTTEL, DCI AND TRANSLINEAR HAVE SETTLED THEIR COURT CASE, AND THIS WOULD APPEAR TO LIMITED OFFICIAL USE  
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REDUCE AMOUNT OF DCI CLAIM AGAINST GOH. HOWEVER, PIERSON TO REFLECT HARM TO DCI RIGHTS TO OVER 50,000 ACRES ON TORTUGA AND DCI'S FREEPORT RIGHTS. IN HIS VIEW THIS WILL TAKE THE TOTAL REVISED CLAIM TO WELL ABOVE DOLS 7 MILLION.

B. DIFFERENCE BETWEEN PIERSON'S DOLS 7.1 MILLION CLAIM, THE AMOUNT TRANSLINEAR CLAIMS PIERSON ACTUALLY PUT INTO PROJECT, AND WHAT GOH MIGHT BE WILLING TO PAY COULD BE CONSIDERABLE.

6. UNLESS EMBASSY PERCEIVES OBJECTION, IT SHOULD THERE-

FORE APPROACH GOH AT APPROPRIATE LEVEL TO DETERMINE  
AITIAN GOVT WILLINGNESS TO MEET WITH PIERSON IN ORDER  
TO DISCUSS RESOLUTION OF THEIR DIFFERENCES, AND  
ESPECIALLY TO ADDRESS POSSIBILITY OF COMPENSATION FOR  
DCI INVESTMENT IN PROJECT. TO AVOID FUTURE CONFLICTING  
ACCOUNTS OF WHAT TAKES PLACE AT THE MEETING, WE BELIEVE  
EMBASSY OBSERVER SHOULD BE PRESENT. BY TAKING AN IM-  
PARTIAL POSITION, THIS OBSERVER MIGHT BE IN POSITION TO  
ASSIST IN THE MAINTENANCE OF A FRUITFUL DIALOGUE LEADING  
TO A MUTUALLY AGREED SETTLEMENT. INGERSOLL

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, NEGOTIATIONS, GOVERNMENT DEBTS, DEBT REPAYMENTS  
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**Draft Date:** 09 OCT 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
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**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** DUPONT CARIBBEAN  
**TAGS:** EFIN, EINV, HA, DUPONT CARIBBEAN  
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